

October 5, 2005

PERSONAL AND CONFIDENTIAL

VIA E-MAIL

Delphi Corporation, *et al.*
5725 Delphi Drive
Troy, Michigan 48098
Attn: Sean P. Corcoran- Assistant General Counsel

Re: Delphi Corporation, *et al.*

Gentlemen:

As part of my firm's routine in opening new files, we provide a fee letter to all clients. The purpose of this letter is to generally set forth our understanding of the legal services to be performed and the basis on which my firm will be paid for those services. Accordingly, this letter confirms our willingness to assist Delphi Corporation and its subsidiaries (collectively, "Delphi") in connection with the Chapter 11 cases contemplated to be commenced by them in the United States Bankruptcy Court for the Southern District of

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New York. We understand that Delphi will be represented by Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden") as general bankruptcy counsel in their Chapter 11 cases. We will represent Delphi as conflicts counsel in their Chapter 11 cases to perform services for the matters which Skadden cannot handle involving clients of Skadden and to perform other discrete duties as are assigned by Skadden to Togut, Segal & Segal LLP ("TS&S").

As we have pointed out to you, our firm is a specialty "boutique;" our practice is strictly limited to insolvency law. To the extent Delphi requests or desires other services, including nonbankruptcy-related legal advice or legal services (*i.e.*, corporate, securities, tax and general matters), other counsel will be needed. We will work closely with the other professionals employed by Delphi, particularly Skadden.

As to my firm's charges, our beginning point for determining a fee is actual time spent. For that reason, we have established bookkeeping rates for each of our lawyers and legal assistants. Work performed by members of and counsel to the firm will be at the hourly rate of \$545 to \$765. As work for Delphi progresses, when appropriate we will utilize the services of our associates and legal assistants whose current hourly billing rates are \$115 to \$525 per hour. We are mindful of the cost of legal services and will attempt to use legal assistants and law clerks whenever appropriate to keep the cost of our firm's services as low as possible. You should also note that in January of each year, we adjust our hourly billing rates and you should expect that our hourly rates may increase during the pendency of these cases, particularly if they are prolonged.

In addition to fees for legal services rendered, Delphi will be expected to reimburse us for our reasonable, out-of-pocket expenses, including travel, photocopies, postage, fax transmissions, telephone, computer-assisted legal research, overtime for secretarial staff, late meals, etc. We are not able at this time to estimate the total anticipated fees and expenses in the case because at this point, we are still in the very early stages of representing Delphi, and it is impossible to take into consideration the complexity of the cases as they unfold.

Once the Chapter 11 cases commence, we will seek allowances of interim compensation and reimbursement for reasonable and necessary expenses at various intervals during the cases, pursuant to the applicable provisions of the Bankruptcy Code. Pursuant to a standing Order of the Bankruptcy Court, professionals will generally be paid during a case on a monthly basis, 80-85% of their fees plus expenses, subject to final approval by the Court upon proper application after notice and a hearing.

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Our firm may only represent the interests of Delphi. It is clearly improper for our firm to represent the interests of any of Delphi's directors, owners or officers, as their interests may be colorably, if not actually, adverse to Delphi. To the extent any of the directors, owners or officers require legal advice, they will have to retain their own counsel, with whom we will be more than happy to work.

I believe this letter correctly sets forth your understanding of our firm's engagement. If it does, please counter-sign the copy of this letter which is enclosed and return it to us.

I appreciate your contacting my firm, and we look forward to working with you and the other representatives of Delphi on this matter to a successful conclusion.

Very truly yours,

/s/ Albert Togut

Albert Togut

AT/cj

CONSENTED TO AND AGREED BY:

DELPHI CORPORATION FOR ITSELF AND
EACH OF ITS SUBSIDIARIES

By: /s/ Sean P. Corcoran
SEAN P. CORCORAN
ASSISTANT GENERAL COUNSEL- COMMERCIAL

cc: John Wm. Butler, Jr., Esq. (via fax)